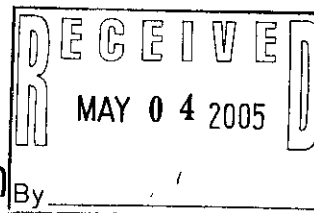




California Community
Reinvestment Corporation



April 26, 2005

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Re: RIN 3064-AC89

Gentlemen:

The California Community Reinvestment Corporation (CCRC) is a multi-bank lending consortium founded in 1989 by a task force of bankers and the Federal Reserve Bank in response to the critical need for long-term financing for affordable multi-family housing developments on a statewide basis. Forty-four member banks provide lines of credit in excess of \$269 million for the funding of loans.

CCRC has established a solid record in both loan production and loan quality, providing commitments in excess of \$500 million for the development of over 20,000 apartment units affordable to low or very low-income residents. CCRC also provides members the opportunity to participate in a Private Placement Tax-Exempt Bond Program. Acting as the members agent, CCRC provides developers of affordable housing access to tax-exempt financing.

We appreciate the opportunity to comment on the joint interagency proposal by the FDIC, OCC and Federal Reserve Board to update the CRA rules, principally by replacing the current-3 part Large Bank Lending, Investment and Services Test, with a new 2-part test for insured depository institutions between \$250 million and \$1 billion in assets, consisting of two separately weighted tests of equal weight: the Small Bank Lending Test and a new Community Development Test. We very much support this proposal, which actually encourages banks to lend, invest, and provide services to low- and moderate-income communities. In addition, we commend the three bank regulatory agencies for persistence and hard work in continuing to solicit and consider public comment, and issuing a balanced interagency proposal that constructively updates and modernizes the CRA regulations.

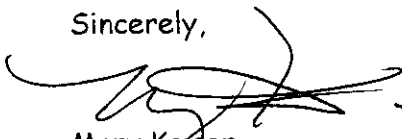
As you well know, CRA is one of the least known but perhaps most remarkable success stories of domestic policy. CRA has fostered hundreds of partnerships between lenders and non-profit providers and local governments that have been instrumental in increasing homeownership, boosting economic development, and expanding small businesses, contributing to more vibrant communities. As government subsidies for affordable housing and community and economic development have diminished, the private capital provided by insured depository institutions has been critical to non-profit providers and local governments that try to leverage limited subsidy dollars.

We believe the flexible new Community Development Test will help overcome problems with the current Large Bank exam by providing insured depository institutions actual CRA credit for all community development activities, including loans and investments as well as services, thereby encouraging banks to undertake the complex, resource-intensive affordable housing and other community development loans that are critical in many low- and moderate-income communities.

We encourage you to invite the OTS to rescind its recent CRA rule changes, which are harmful to low- and moderate-income communities, and to join you in your responsive interagency proposal.

Finally, the principles underlying the Community Development Test would also increase the regulatory incentives for institutions above \$1 billion in assets to undertake community development loans. We encourage you to update the rules for larger institutions as well.

Sincerely,



Mary Kaiser
President